



State of Wisconsin
2013 - 2014 LEGISLATURE

D



LRB-1240/P2

SAC

Under current law, DWD assists individuals with disabilities in gaining employment through its vocational rehabilitation program. An individual with a disability who gains employment with assistance from the vocational rehabilitation program no longer receives certain benefits from social security. The federal government reimburses some of the benefits it no longer has to pay to individuals to DWD for the vocational rehabilitation program. Also under current law, DHS provides grants to independent living centers that meet certain criteria to provide nonresidential services to severely disabled individuals. Current law requires that DWD transfer social security reimbursement funds to DHS in order to provide these grants.

This bill eliminates the transfer from DWD to DHS for grants to independent living centers. Instead, DWD must allocate the moneys received from the federal Social Security Administration for reimbursement of grants to independent living centers. The bill then requires DWD to make grants to independent living centers that meet the same requirements as those imposed to receive grants from DHS.

Under current law, among other specified, limited disclosures, the state or a local registrar may disclose certain information from a vital record to a federal, state, or local agency for use in the conduct of the agency's duties and may disclose a social security number on a vital record to DCF or a county child support agency for child and spousal support purposes and establishment of paternity. This bill allows the state or local registrar to disclose information on vital records, including a social security number, to DOR, upon DOR's request, for certain purposes related to administering state taxes and collection of debts referred to DOR.

JUSTICE

Under current law, the Office of Justice Assistance (OJA) within DOA operates several programs and administers several grants related to law enforcement, communications between law enforcement and other public safety agencies (interoperable communications), criminal justice, juvenile justice and child advocacy services, crime prevention, rehabilitation and alternatives to incarceration, reintegration into society of American Indians who have been incarcerated, crime data collection and analysis, and homeland security.

This bill eliminates OJA and transfers its functions to DOJ, except that the programs and appropriations related to reintegrating American Indians who have been incarcerated are transferred to DOC, and the programs and appropriations related to homeland security, except those related to interoperable communications, are transferred to DMA.

Under current law, a victim of abuse, harassment, or threats may obtain a temporary restraining order against the person who has committed the acts of abuse or harassment, or has made a threat. The restraining order bars the person from contacting the victim and requires the person to stay away from the victim's residence and other places temporarily occupied by the victim until a court conducts a hearing to determine whether the restraining order should be incorporated into a longer-lasting injunction. If the court determines that the person has engaged in, or may engage in, abusive or harassing acts against the victim, the court may issue an injunction against the person.

Under 2011 Wisconsin Act 266 (the Act), if a person violates certain restraining orders or an injunction, the court may require the person to submit, for the duration of the restraining order or injunction, to global positioning system (GPS) tracking by DOC. The Act requires the court to find, before ordering GPS tracking, that the person who violated the restraining order or injunction is more likely than not to cause serious bodily harm to the victim.

This bill requires DOJ to establish standards for a local unit of government or law enforcement agency that wishes to administer its own GPS tracking program for persons who are subject to a restraining order or injunction and creates a grant program for that purpose. Under the bill, in a jurisdiction that operates a GPS tracking program, if a court issues a restraining order or injunction, a court may order the person to submit, for the duration of the restraining order or injunction, to GPS tracking. The bill requires the court to make the same findings as are required for a person who has violated a restraining order or injunction.

Under current law, if a court imposes a sentence or places a person on probation following a criminal conviction, the court must impose a crime victim and witness assistance surcharge of \$67 for each misdemeanor conviction and \$92 for each felony conviction. Specified portions of the collected surcharge are allocated to fund services for crime victims and witnesses and to fund grants for sexual assault victim services. This bill allocates the entire surcharge to fund services for crime victims and witnesses and creates a general purpose revenue appropriation to fund the grants for sexual assault victim services.

Under current law, a court may extend a term of probation or issue a judgment for unpaid funds if a person who is nearing the end of his or her probation term owes restitution or reimbursement fees. This bill also allows a court to extend a probation term or issue a judgment for unpaid funds if the person nearing the end of his or her probation term owes any part of a crime victim and witness assistance surcharge.

Currently, DOJ maintains three crime laboratories whose employees perform duties including DNA testing, firearms identification, and other forensic testing. Current law requires that the laboratories be located in the cities of Madison, Milwaukee, and Wausau. This bill removes this requirement.

Also under current law, when advertising an open position in the classified civil service, the state may not require as a condition of application that the applicant be a college graduate unless the position advertised requires a license, permit, certificate, or other credential that a person may not acquire without a college degree. ⁵

Under the bill, when advertising an open position as a forensic scientist in a state or regional crime laboratory, the state may require as a condition of application that the applicant be a college graduate.

Under current law, DOJ issues grants to certain counties and to eligible federally recognized American Indian tribes within this state to fund county or tribal law enforcement operations. Current law directs DOJ to issue a \$300,000 grant to Forest County each fiscal year and \$80,000 annually to the Lac Court Oreilles Band of Lake Superior Chippewa Indians. This bill eliminates these specific requirements.

This bill also requires DOJ to reduce certain allocations related to grants aimed at diverting youth from criminal activity in fiscal years 2013-14 and 2014-15 and eliminates biennial grants to programs within the city of Milwaukee that relate to community policing and crime prevention in targeted neighborhoods that suffer from high levels of violent and drug-related crime.

LOCAL GOVERNMENT

With some exceptions, this bill prohibits cities, villages, towns, counties, and school districts (local governmental units) from requiring, as a condition of employment, that any nonelective employee or prospective employee reside within any jurisdictional limits. Exceptions to the general prohibition include certain school board officials. The prohibition also does not affect any other state law requiring residency for a municipal position or any state or municipal requirement for state residency. If a local governmental unit has a residency requirement in effect on the effective date of the bill, the residency requirement does not apply and may not be enforced.

The bill prohibits a local governmental employer from bargaining collectively with respect to a decision to impose a residency requirement.

Under current law, subject to a number of exceptions, no county may impose an operating levy at an operating levy rate that exceeds 0.001 or the operating levy rate in 1992, whichever is greater, although a county may exceed the limit under certain circumstances. "Operating levy" is defined as the county purpose levy, less the debt levy, and "operating levy rate" is defined as the total levy rate minus the debt levy rate.

Under current law, the county operating levy rate limit is suspended such that it does not apply to a county's levy that is imposed in December 2011 or December 2012. Under this bill, the county operating levy rate limit is sunset and does not apply to any county levy that is imposed in December 2011 or any year thereafter.

Generally under current law, local levy limits prohibit cities, villages, towns, or counties (political subdivisions) from increasing their property tax levies by the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

Current law contains a number of exceptions to the levy limit. This bill makes permanent the exception allowing an increase of a current year levy limit when the prior year's actual levy was less than the allowable limit. The increase must be authorized by a supermajority vote of the political subdivision's governing body and, for a town, a majority vote of the town meeting.

Current law authorizes two or more political subdivisions to enter into an agreement to create a commission to issue types of municipal bonds referred to as conduit bonds.

no 9 (Under current law, only one commission may be created in the state. That commission currently exists and was created using the current law procedures for intergovernmental or interstate cooperation agreements. Primarily, the commission may issue bonds or refunding bonds to finance or refinance certain projects. Currently, before the commission may issue any bonds on certain economic development or housing projects, the commission must receive written approval

from WHEDA. This bill eliminates the requirement to receive this permission. The bill also makes technical and definitional changes, and clarifies that a project may be located outside of the United States under certain circumstances.

Under current law, a municipality may receive an expenditure restraint payment if its municipal budget has not increased from the previous year by more than the sum of an inflation factor and a valuation factor.

Under this bill, if a municipality makes payments to another governmental unit for providing a service, the amount of the payments are included in the municipality's budget for purposes of determining its eligibility for an expenditure restraint payment.

Under current law, the state pays municipalities for municipal services provided to state facilities. The state negotiates the payment amount with each municipality. DOA must submit proposed negotiation guidelines to JCF, and JCF must approve the guidelines, before negotiating payments. In addition, DOA must report the results of its negotiations and the total amount of the proposed payments to JCF under its passive review process. Under this bill, DOA is not required to submit proposed negotiation guidelines to JCF for its approval prior to negotiating payments for municipal services and DOA may make the payments without the committee's approval.

MILITARY AFFAIRS

Under current law, an individual who is registered with a local unit of government as an emergency management volunteer is considered an employee of that local unit of government for worker's compensation purposes for an injury suffered while providing emergency management services during a disaster, imminent threat of disaster, or related training exercise. Under this bill, an emergency management volunteer is considered an employee of the state, not the local unit of government, for worker's compensation purposes.

NATURAL RESOURCES

FISH, GAME, AND WILDLIFE

The bill requires DNR to establish a deer management assistance program for collecting information from the public about deer health and the deer population in this state and receiving suggestions from the public about managing the deer population. DNR must analyze information received and use it to improve deer health and manage the deer population in this state.

Under current law, a person who holds a deer hunting license may be issued a bonus deer hunting permit that authorizes the person to take an additional deer of the sex or type specified by DNR by rule. Generally, a person may not obtain more than one bonus deer hunting permit in a single season. Under the bill, DNR may also issue a bonus deer hunting permit to allow a person to take an additional deer in a county or deer management area in which a deer has tested positive for chronic wasting disease (CWD area). The bill provides that DNR may issue to a person more than one bonus deer hunting permit in a single season if the additional permit authorizes the person to take a deer in a CWD area.

This bill authorizes DNR to promulgate rules to implement the recommendations contained in the 2012 final report of the assessment of this state's deer management plans and policies.

This bill reduces the fees that apply to wolf harvesting approvals and repeals the current law authority to hunt wolves during nighttime.

Current law authorizes DATCP to prohibit or regulate the importing of animals into this state if necessary to prevent the introduction or spread of disease. This bill authorizes DNR to import and introduce wild elk into specified counties if certain conditions are met, including that the applicable DATCP requirements are met to the extent possible.

The bill prohibits DNR from establishing an open season for hunting elk that begins earlier than the Saturday nearest October 15.

Under current law, DNR issues small game hunting licenses and annual fishing licenses at no charge to any resident who is in active service with the armed forces and who is in the state on furlough or leave. Under the bill, DNR must issue a resident small game hunting license, a resident deer hunting license, a resident archer hunting license, or a resident annual fishing license without charging a fee to a resident who served during the Iraq or Afghanistan wars as a member of the U.S. armed forces, or as a member of a reserve component of the armed forces or national guard. Only one license may be issued to each person who applies and the license must be issued within one year of the person being released or discharged from the armed forces or national guard.

OTHER NATURAL RESOURCES

* Current law authorizes the state to incur public debt for under the Warren Knowles-Gaylord Nelson Stewardship 2000 Program (stewardship program), which is administered by DNR. The state may incur this debt to acquire land for the state for conservation purposes and for property development activities and to award grants or state aid to certain local governmental units and nonprofit conservation organizations to acquire lands for these purposes.

Current law establishes the amounts that DNR may obligate in each fiscal year through fiscal year 2019-20 for expenditure under each of the five stewardship subprograms. The bill decreases the amount that DNR may obligate under the land acquisition subprogram for fiscal years 2013-14 and 2014-15 and makes a corresponding increase to the amount that DNR may obligate for those fiscal years under the subprogram for property development and local assistance.

This bill increases DNR's bonding authority, for the purpose of funding a dam safety program, debt service on which is paid from the general fund, by \$4,000,000.

Current law requires that vehicles entering state parks or other recreational sites managed by DNR display an annual or daily vehicle admission receipt (admission sticker). This bill requires DNR to waive the fee for an annual admission sticker for a vehicle with Wisconsin plates if the owner of the vehicle is a Wisconsin resident serving on active duty in the U.S. armed forces (resident service member). This bill also requires DNR to waive the annual fee for admission to state trails for a resident service member. Each resident service member qualifies for the fee waiver for state parks and state trails only once.

Under current law, vehicles are exempt from the admission sticker requirement from November 1st to March 31st, and trail users are exempt from the admission fee requirement for state trails from October 27th to March 31st. This bill exempts a vehicle with a resident service member as an occupant from the admission sticker requirement on Veterans Day and during the three-day Memorial Day weekend and exempts a resident service member from a trail admission fee on these days.

RETIREMENT AND GROUP INSURANCE

Under current law, a Wisconsin Retirement System (WRS) participant who has applied to receive an annuity must wait at least 30 days between terminating WRS-covered employment and returning to WRS-covered employment as a participating employee, or the participant is not eligible to receive a WRS retirement annuity. This bill provides that the participant must remain separated from WRS-covered employment for at least 75 days to be eligible for an annuity.

Currently, when a WRS participant terminates employment and receives an annuity he or she may return to WRS-covered employment and either terminate the annuity and again become a WRS participating employee or, instead, continue to receive the annuity, as well as wages from WRS-covered employment. If a participant does not terminate the annuity, the participant may not be a WRS participating employee and, in the case of state employment, is not eligible for group insurance benefits, and may not use any of his or her employment service as a rehired annuitant for any WRS purposes. If the participant terminates the annuity, the participant returns to participating employee status, is eligible for all group insurance benefits provided to other participating employees, and is able to accumulate additional years of creditable service under the WRS for the additional period of covered employment.

The bill provides that if a WRS participant who is receiving an annuity, or a disability annuitant who has attained his or her normal retirement date, is appointed to a position in WRS-covered employment in which he or she is expected to work at least two-thirds of what is considered full-time employment by DETF, the participant's annuity must be terminated and no annuity payment is payable until after the participant again terminates covered employment.

2011 Wisconsin Act 32 increased the number of hours that an employee must work in order to become a WRS participating employee from one-third to two-thirds of what is considered full-time employment, as determined by DETF by rule. Under 2011 Wisconsin Act 32, this change in law did not apply to those employees who were first *hired* by a WRS employer before July 1, 2011, regardless of whether they were participating employees before that date. The bill provides that in order to be exempt from this change in law, an employee must have been a *participating employee* before July 1, 2011.

* Federal law authorizes the establishment of health savings accounts, under which individuals and their employers may make tax-exempt contributions that can be used for the payment of medical expenses. Federal law sets annual contribution limits. ~~as~~ as a condition of establishing a health savings account, an individual must be covered under a high-deductible health insurance plan. The specific requirements of the high-deductible plans are set in federal law, but generally require the payment

of deductibles and certain out-of-pocket expenses before an individual's medical services are covered under the plan. ✓ State employees receive health insurance through plans offered by the Group Insurance Board (GIB). This bill requires GIB, beginning on January 1, 2015, to offer a high-deductible health insurance plan and a health savings account. The bill also requires the state to make contributions into an employee's health savings account in an amount determined annually by the director of OSER.

Currently, the director of OSER establishes the amount that employees must pay for health insurance premiums, subject to a general provision that the state may not pay more than 88 percent of the average premium costs of the lowest cost health insurance plans. Under current law, health insurance plans are assigned to three different tiers, depending on cost.

This bill provides that the state may not pay more than 88 percent of the average premium costs of the health insurance plans in each tier. In addition, the bill provides that if any tier contains no health insurance plans, but is used to establish the premiums for employees who work and reside outside of the state, the amount these employees must pay is based on the premium contribution amount for that tier in the prior year, adjusted by the average percentage change of the premium contribution amount of the other tiers from the prior year.

Finally, the bill provides that craft employees must pay all of their health insurance premiums, unless otherwise determined by the director. A craft employee is a state employee who is a skilled journeyman craftsman, including the skilled journeyman craftsman's apprentices and helpers, but does not include employees not in direct line of progression in the craft. A craft employee may be either nonrepresented or in a collective bargaining unit.

Current law provides that GIB may not enter into an agreement to modify or expand any group insurance coverage in a manner that conflicts with laws or rules promulgated by DETF or that materially affects the level of premiums or the level of benefits under any group insurance coverage. This bill permits GIB to modify or expand benefits if the modification or expansion is required by law or would maintain or reduce premium costs for the state or its employees in the current or any future year.

The bill provides that, beginning in 2014, GIB must impose a premium surcharge for health care coverage for state employees and retired state employees who use tobacco products and may terminate the health care coverage of any eligible employee who falsely claims that he or she does not use tobacco products. During 2014 and 2015, the surcharge is \$50 a month. The bill further provides that the premium surcharges paid by annuitants who use tobacco products are be used to reduce future health care coverage premiums for annuitants and to reimburse DETF for costs incurred by DETF in providing health care coverage to annuitants.

WRS is established as a governmental plan and as a qualified plan for federal income tax purposes under the Internal Revenue Code (IRC). Under current law, no WRS benefit plan may be administered in a manner that violates a provision of the IRC that authorizes or regulates the benefit plan or that would cause an otherwise tax exempt benefit to become taxable under the IRC. This bill updates and conforms

copy

numerous provisions governing WRS benefits and the administration of the WRS to the IRC.

The bill requires the secretary of employee trust funds to submit an annual report to the secretary of administration and JCF on DETF's progress in modernizing its business processes and integrating its information technology systems.

The bill further provides that, during the 2013-15 fiscal biennium, the secretary of employee trust funds may request the governor to supplement any sum certain appropriation from the public employee trust fund for the purpose of modernizing business processes or integrating information technology systems of DETF. Upon receiving such a request, the governor may approve or modify the request and must notify JCF of the proposed action under JCF's passive review process.

Finally, the bill provides that, during the 2013-15 fiscal biennium, the secretary of employee trust funds may request the governor to create or abolish a full-time equivalent position or portion thereof that is funded from revenues deposited in the public employee trust fund if the employee holding the position would perform duties relating to modernizing business processes or integrating information technology systems. Upon receiving such a request, the governor may approve or modify the request. If the governor proposes to approve or modify the request, the governor must notify JCF of the proposed action under passive review.

This bill permits DETF to disclose information concerning the payment of annuities under WRS to DOR for the purposes of administering the payment of state taxes; collecting debts owed to DOR; locating WRS participants, or the assets of WRS participants, who have failed to file tax returns, underreported their taxable income, or who are delinquent debtors; identifying fraudulent tax returns and credit claims; or providing information for tax-related prosecutions.

SAFETY AND PROFESSIONAL SERVICES

BUILDINGS AND SAFETY

Under current law, most persons who act as construction contractors must be registered by DSPS. This bill repeals this registration requirement.

Under current law, DSPS has various duties and powers relating to regulation of petroleum products and hazardous substances, including:

1. Prescribing grade specifications for gasoline and similar fuels and administering laws regulating the inspection and sale of those fuels and other petroleum products.
2. Regulating the installation, maintenance, and removal of tanks that contain flammable or combustible liquids or federally regulated hazardous substances (dangerous materials).
3. Administering a program to inventory aboveground and underground petroleum storage tanks.

This bill transfers these powers and duties, except for those that relate to the reviewing of plans for dangerous materials, from DSPS to DATCP.

Do not
proofDO
NOT
DELETE



numerous provisions governing WRS benefits and the administration of the WRS to the IRC.

The bill requires the secretary of employee trust funds to submit an annual report to the secretary of administration and JCF on DETF's progress in modernizing its business processes and integrating its information technology systems.

The bill further provides that, during the 2013-15 fiscal biennium, the secretary of employee trust funds may request the governor to supplement any sum certain appropriation from the public employee trust fund for the purpose of modernizing business processes or integrating information technology systems of DETF. Upon receiving such a request, the governor may approve or modify the request and must notify JCF of the proposed action under JCF's passive review process.

Finally, the bill provides that, during the 2013-15 fiscal biennium, the secretary of employee trust funds may request the governor to create or abolish a full-time equivalent position or portion thereof that is funded from revenues deposited in the public employee trust fund if the employee holding the position would perform duties relating to modernizing business processes or integrating information technology systems. Upon receiving such a request, the governor may approve or modify the request. If the governor proposes to approve or modify the request, the governor must notify JCF of the proposed action under passive review.

This bill permits DETF to disclose information concerning the payment of annuities under WRS to DOR for the purposes of administering the payment of state taxes; collecting debts owed to DOR; locating WRS participants, or the assets of WRS participants, who have failed to file tax returns, underreported their taxable income, or who are delinquent debtors; identifying fraudulent tax returns and credit claims; or providing information for tax-related prosecutions.

SAFETY AND PROFESSIONAL SERVICES

check spacing →
(Just fix)

BUILDINGS AND SAFETY

Under current law, most persons who act as construction contractors must be registered by DSPS. This bill repeals this registration requirement.

Under current law, DSPS has various duties and powers relating to regulation of petroleum products and hazardous substances, including:

1. Prescribing grade specifications for gasoline and similar fuels and administering laws regulating the inspection and sale of those fuels and other petroleum products.
2. Regulating the installation, maintenance, and removal of tanks that contain flammable or combustible liquids or federally regulated hazardous substances (dangerous materials).
3. Administering a program to inventory aboveground and underground petroleum storage tanks.

This bill transfers these powers and duties, except for those that relate to the reviewing of plans for dangerous materials, from DSPS to DATCP.

PROFESSIONAL REGULATION

Under current law, DSPS regulates professional employer organizations and professional employer groups that contract with clients for, among other services, the nontemporary placement of employees with those clients. DSPS regulates the fund-raising activities of charitable organizations, professional fund-raisers, and fund-raising counsel. This bill transfers the regulation of professional employer organizations, professional employer groups, charitable organizations, professional fund-raisers, and fund-raising counsel from DSPS to DFI. Under the bill, DFI registers all of those persons and administers the laws governing their practices. The bill also gives DFI a number of general powers and duties concerning the regulation of those persons that are similar to many of the powers and duties DSPS exercises under current law.

STATE GOVERNMENT

STATE EMPLOYMENT

This bill establishes a pay progression plan for assistant state public defenders and assistant attorneys general, consisting of 17 hourly salary steps, with each step equal to one-seventeenth of the difference between the lowest and the highest hourly salary for the salary range for assistant state public defenders and assistant attorneys general. The pay progression plan is based entirely on merit.

Under the bill, beginning with the first pay period that occurs on or after July 1, 2013, all assistant state public defenders and assistant attorneys general who have served for a continuous period of 12 months or more and who are not paid the maximum hourly rate must be paid an hourly salary at the step that is immediately above their hourly salary on June 30, 2013. All other assistant state public defenders and assistant attorneys general who are not paid the maximum hourly rate must receive the same increase when they have served with the state as assistant state public defenders or assistant attorneys general for a continuous period of 12 months.

In addition, beginning with the first pay period that occurs on or after July 1, 2014, and with the first pay period that occurs on or after each succeeding July 1, all assistant state public defenders and assistant attorneys general who have served for a continuous period of 12 months or more and who are not paid the maximum hourly rate may, at the discretion of the state public defender or the attorney general, be paid an hourly salary at any step, or part thereof, above their hourly salary on the immediately preceding June 30. All other assistant state public defenders and assistant attorneys general or the attorney general who are not paid the maximum hourly rate may, at the discretion of the state public defender or the attorney general, be paid an hourly salary at any step, or part thereof, above their hourly salary on the immediately preceding June 30, when they have served for a continuous period of 12 months. The bill provides, however, that no salary increase may exceed 10 percent during a fiscal year.

This bill attaches the Wisconsin Employment Relations Commission (WERC) to DWD. Currently, WERC is an independent state agency. The bill also eliminates a requirement that WERC commissioners not have other employment and provides that newly appointed commissioners are appointed to two-thirds of a full-time equivalent position.

Currently, each cabinet secretary may appoint an executive assistant to perform duties prescribed by the secretary. This bill eliminates this power and instead authorizes each secretary to appoint an assistant deputy secretary to perform duties prescribed by the secretary. This bill allows the attorney general to appoint, in the unclassified service of the state civil service system, a solicitor general and up to three deputy solicitors general and to assign assistant attorneys general to assist the solicitor general.

STATE FINANCE

Current statutes provide that no bill directly or indirectly affecting general purpose revenues may be adopted if the bill would cause the estimated general fund balance on June 30 of any fiscal year to be less than a certain amount of the total general purpose revenue appropriations for that fiscal year. Currently, for fiscal years 2015–16 and 2016–17, and for each fiscal year thereafter, the amount is 2 percent of total general purpose revenue appropriations for that fiscal year. This bill provides that for fiscal years 2015–16 and 2016–17, the amount is \$65,000,000; and for 2017–18 and each fiscal year thereafter, the amount is 2 percent of total general purpose revenue appropriations for that fiscal year.

Currently, in any fiscal year, the secretary of administration may temporarily reallocate moneys to the general fund from other state funds in an amount not to exceed, at any one time, 5 percent of the total general purpose revenue appropriations for that fiscal year. This bill increases that maximum amount to 9 percent.

* This bill transfers: ^{1. Q} 1. \$16,000,000 from the petroleum inspection fund to the transportation fund in each year of the fiscal biennium.

2. \$23,000,000 from the general fund to the transportation fund in the fiscal biennium.

3. \$750,000 from the agrichemical management fund to the environmental fund in fiscal year 2013–14.

4. \$5,300,000 from the general fund to the veterans trust fund in fiscal year 2013–14.

STATE PROCUREMENT

Current law generally authorizes state agencies to purchase materials, supplies, or equipment. With some exceptions, purchases for which the estimated cost exceeds \$50,000 require bids to be invited or proposals to be solicited. Also, under current law, if a state agency enters into or renews a contract for services that involves an estimated expenditure of more than \$25,000, the agency must conduct either a uniform cost-benefit analysis for a new contract or a continued appropriateness review for a contract renewal. This bill raises the threshold to \$50,000 for either and exempts the following services: services that must, by law, be performed by contract; services incidental to the purchase of a commodity; services that must be provided per a contract, license, or warranty; services that cannot be performed by state employees; services that are expected to be completed within 12 months; and Web-based software application services that are delivered and managed remotely.

Current law requires DOA to certify a business as a disabled veteran-owned business, a woman-owned business, or a minority business, but has different requirements for each certification. DOA may certify a business as a minority business if another state agency, a municipality, the federal government, an American Indian tribe, or, if it uses substantially the same procedures as DOA would use, a private business certifies the business as such. This bill makes the certification practice consistent by permitting DOA to certify a business as a disabled veteran-owned business or a woman-owned business if one of the entities listed above certifies it as such.

Under current law, DOA must maintain a list of entities that are ineligible for state contracts because they have violated a state procurement contract or a statute governing state procurement. This bill requires DOA to include on the list an entity that has been debarred from contracting with the federal government or any other state agency.

Under current law, in a report that DOA submits to the governor and the legislature, DOA must document how the division of legal services has reduced the state's use of contracted employees. This bill eliminates the requirement that the report include this information.

Under current law, with some exceptions, DOA must let by contract to the lowest qualified responsible bidder all construction work when the estimated construction cost of the project exceeds \$50,000 or, if the estimated cost is less, when contracting is in the best interest of the state. This bill requires DOA, for any project that has an estimated construction cost that exceeds \$185,000, to let the project to the lowest qualified responsible bidder through single prime contracting, which is a process in which DOA selects all mechanical, electrical, and plumbing contractors, but contracts only with a general prime contractor, who then must contract with the selected mechanical, electrical, and plumbing contractors. This bill also requires DOA to certify persons as qualified and responsible and provides criteria for such certification.

OTHER STATE GOVERNMENT

Currently, with certain exceptions, DOA may sell or lease state-owned real property if DOA determines that the sale is in the best interest of the state and the Building Commission approves the sale. Also currently, various state agencies have authority to sell real property under their jurisdiction subject to various conditions and limitations. DOA's authority does not operate to permit the closure or sale of any facility or institution the operation of which is required by law and does not extend to property under the jurisdiction of the Board of Regents of the UW System. The net proceeds of any sale by DOA are used to retire any outstanding public debt that was incurred to acquire, construct, or improve the property or as required by any applicable federal law or under the terms of any applicable gift or grant. DOA must use any remaining net proceeds to retire other outstanding public debt.

Currently, with certain exceptions, the Building Commission may also sell state-owned real property where this authority is not given to another state agency by law, and may transfer land under its jurisdiction among agencies. Any sales of surplus land having a value of at least \$20,000 are subject to the approval of JCF.

However, the Building Commission does not have the authority to sell a parcel of state-owned real property once DOA notifies the commission that an offer of sale or sale with respect to the parcel is pending. The net proceeds of any sales by the Building Commission must be used to retire any public debt that was used to acquire or construct improvements on the property being sold. Any remaining net proceeds must be deposited in the budget stabilization fund.

This bill permits DOA or the Building Commission to sell or lease any state-owned real property unless prohibited by the state or federal constitution or federal law. Sales by DOA are subject to the approval of the Building Commission. The bill does not apply to sales conducted to enforce an obligation to this state. The bill retains most of the existing exemptions from DOA's sales authority but eliminates the current exemption allowing the Board of Regents of the UW System to sell or lease state-owned real property independently of DOA. Under the bill, if DOA or the Building Commission notifies the Board of Regents that an offer of sale, sale, or lease is pending with the respect to a parcel of property, the Board of Regents does not have authority to sell or lease that property. The bill eliminates the current exception that exempts sales that would necessitate the closure of a facility or institution which is provided for by law. However, the bill does not repeal any statutes that require the operation of any facilities or institutions. Therefore, if DOA or the Building Commission sells all the real property that is currently used to operate a facility or institution, the facility or institution would need to continue in operation. Under the bill, except with respect to exempt property, if any agency has authority to sell or lease real property under any other law, the authority of that agency does not apply after DOA or the Building Commission notifies the agency in writing that an offer of sale or sale, or a lease agreement, is pending with respect to the property. Under the bill, DOA and the Building Commission must first use the net proceeds of any sale or lease to retire any public debt that was used to finance the acquisition, construction, or improvement of the property that is sold. Thereafter, DOA and the Building Commission must use the net proceeds of any sale or lease to pay the costs of federal tax law compliance applicable to the debt. The bill directs DOA and the Building Commission to use the remaining net proceeds of any sale or lease, subject to current requirements, to retire any revenue obligation debt in the fund that was used to acquire, construct, or improve property that was sold and thereafter to pay the costs of federal tax law compliance applicable to the debt, and thereafter, retire other similar revenue obligations. Thereafter, DOA and the Building Commission are directed to use any remaining net proceeds to retire other outstanding public debt. The bill provides that if any property that is proposed to be sold by DOA or the Building Commission is co-owned by a nonstate entity, DOA or the commission must afford to the co-owner the right of first refusal to purchase the share of the property owned by the state on reasonable financial terms established by DOA or the commission.

The bill also provides that if DOA sells or leases a state-owned heating, cooling, or power plant, DOA may contract for the operation of any function that is performed by the state on the property. The bill provides that if DOA or the Building Commission sells or leases, or if DOA contracts with a purchaser or lessee, for the

operation of a state-owned heating, cooling, or power plant that is under the jurisdiction of a state agency, the agency must convey all real and personal property associated with the plant to the purchaser or lessee on terms specified by DOA or the Building Commission.

In addition, the bill modifies the authority of the Building Commission to sell or lease state-owned buildings, structures, and land to parallel the authority of DOA so that the authority includes property under the jurisdiction of the Board of Regents of the UW System and is not generally limited by sales authority given to state agencies, and so that distribution of sales proceeds is accomplished in the same manner as proceeds of DOA's sales are distributed. The bill deletes the current limitation that certain sales of surplus land are subject to approval of JCF. The bill directs each state agency to submit to DOA biennially an inventory of all real property under its jurisdiction, together with the estimated fair market value of each property. Under the bill, DOA must obtain appraisals of all properties in the inventory that are identified by DOA for potential sale and submit to the Building Commission an inventory containing a location, description, and fair market value of each property identified for potential sale.

This bill creates a capital investment program in DOA and appropriates \$25,000,000 in general purpose revenue for the program in fiscal year 2013-14. The purpose of the program is to make coinvestments in business startups and investment capital projects.

This bill creates a broadband expansion program under which DOA, in consultation with PSC, makes broadband expansion grants from the universal service fund for the purpose of constructing broadband infrastructure in underserved areas.

Under current law, DOA administers a program for making grants from the utility public benefits fund to provide assistance to low-income households for 1) weatherization and conservation assistance; and 2) payment of energy bills and early identification or prevention of energy crises (bill and crisis assistance). In each fiscal year, DOA must ensure that the amount spent under the program on grants for weatherization and conservation assistance is equal to 47 percent of a sum that is calculated for the fiscal year and that 53 percent of the sum is spent on grants for bill and crisis assistance. This bill requires instead that 50 percent of the sum must be allocated for grants for weatherization and conservation assistance, resulting in 50 percent for grants for bill and crisis assistance. The bill also makes changes to how the sum is calculated, including eliminating certain federal funding amounts from the calculation.

Under current law, counties collect a \$25 fee for recording or filing most instruments that are recorded or filed with a register of deeds. Counties must remit \$10 of each fee to DOA, which DOA uses to make land records modernization grants. If a county meets certain requirements, the county may retain \$8 of each \$10 fee that would otherwise be payable to DOA. In addition, counties may temporarily collect a \$30 fee for recording or filing most instruments that are recorded or filed with a register of deeds if the county uses \$5 of each fee for redacting social security

numbers from certain electronic format records. Under this bill the \$30 fee is made permanent and counties must remit \$15 of each fee to DOA.

Currently, DOA may provide legal services to any executive branch state agency that has a secretary who serves at the pleasure of the governor. This bill provides that DOA may also provide legal services to an executive branch state agency that does not have a secretary who serves at the pleasure of the governor, but only at the request of the state agency.

This bill permits DOA to transfer information technology infrastructure services staff and equipment from another executive branch agency, other than the Board of Regents of the UW System, to DOA. The bill also permits DOA to assess executive branch agencies for information technology infrastructure services provided by DOA.

This bill authorizes the secretary of administration to maintain intergovernmental affairs offices to conduct public outreach and promote coordination among state agencies and authorities.

TAXATION

INCOME TAXATION

Under current law, there are five income tax brackets, which are indexed for inflation. The rate of taxation under current law for the lowest bracket for single individuals, certain fiduciaries, heads of households, and married persons is 4.60 percent of taxable income; the rate for the second bracket is 6.15 percent; the rate for the third bracket is 6.50 percent; the rate for the fourth bracket is 6.75 percent; and the rate for the highest bracket is 7.75 percent.

With regard to taxable year 2012, for single individuals, certain fiduciaries, and heads of households, for example, the lowest bracket applies to taxable income of over \$0 up to \$10,570; the second bracket applies to taxable income over \$10,570 up to \$20,360; the third bracket applies to taxable income over \$20,360 up to \$158,500; the fourth bracket applies to taxable income over \$158,500 up to \$232,660; and the fifth, or top, bracket applies to taxable income over \$232,660.

For taxable years beginning after December 31, 2012, this bill lowers the rate of taxation in each of the first three brackets; the rates in the top two brackets remain unchanged. Under the bill, the tax rate in the lowest bracket is reduced to 4.50 percent; the rate in the next higher bracket is reduced to 5.94 percent; and the rate in the next higher bracket is reduced to 6.36 percent. The brackets will continue to be indexed for inflation.

Under current law, the veterans and surviving spouses property tax credit may be claimed by certain U.S. armed forces veterans and by the unremarried surviving spouses of certain veterans or members of the national guard or reserves (collectively, "veterans"). To be eligible to claim the credit, the veteran must meet several criteria, including criteria related to the veteran's residency in this state and his or her disability rating. Similarly, to be eligible to claim the credit as a spouse of a veteran, the veteran to whom the unremarried surviving spouse was married must have met these same residency and disability criteria.

In general, the credit may currently be claimed in an amount equal to the property taxes paid by the claimant on the veteran's principal dwelling in the year to which the claim relates. If the amount of the credit for which a claimant is eligible exceeds the claimant's income tax liability, the excess amount of the credit is paid to the claimant by check (refundable tax credit).

For taxable years beginning after December 31, 2013, this bill expands the definition of eligible unremarried surviving spouse to include an individual who is eligible for, and receives, dependency and indemnity compensation from the federal government due to his or her spouse's status as a veteran whose death was service-connected.

This bill creates penalties for a person who negligently or fraudulently files an incorrect claim for a tax refund or credit. The penalty for negligence is 25 percent of the difference between the amount claimed and the amount that should have been claimed, and the penalty for fraud is 100 percent of the difference between the amount claimed and the amount that should have been claimed. In addition, any person, other than a corporation or limited liability company, who files an income tax return in which the person tries to obtain a refund or credit with fraudulent intent is guilty of a Class H felony.

* This bill prohibits an individual who files a fraudulent claim for an earned income tax credit or homestead tax credit (credit) from filing a claim for either credit for ~~10~~ ^{five} years. The bill also prohibits an individual who files a reckless claim for one of these credits from filing a claim for either credit for two years. Under the bill, a claim is fraudulent if it is false or excessive and filed with fraudulent intent, as determined by DOR, and a claim is reckless if it is improper, due to reckless or intentional disregard of the provisions of the income tax statutes or of rules and regulations of DOR, as determined by DOR.

Under current law, capital gains on certain Wisconsin-sourced capital assets are exempted from taxation. For taxable years beginning after December 31, 2015, an individual; an individual partner or member of a partnership, limited liability company, or limited liability partnership; or an individual shareholder of a tax-option corporation (claimant) may subtract from federal adjusted gross income the lesser of the claimant's federal net capital gain as reported on the claimant's federal tax return if, in that year, the claimant had a qualifying gain, or the claimant's qualifying gain.

The capital gains exemption defines "qualifying gain" as the gain realized by the sale of any asset that is purchased after December 31, 2010, held for at least five consecutive years, is a Wisconsin capital asset at the time of purchase and for at least two of the next four years, and treated as a long-term gain under federal law. A "Wisconsin capital asset" is real or tangible personal property that is located in this state and used in a Wisconsin business, or stock or other ownership interest in a Wisconsin business. Currently, a business may apply to WEDC for annual certification for the exemption. WEDC may certify a business if it determines that, in the taxable year ending immediately before the date of the business's application, at least 50 percent of the business's payroll is paid in Wisconsin and at least 50

percent of the value of the business's real and tangible personal property is used by the business in this state.

This bill transfers from WEDC to DOR the responsibility for registering a business, subject to the business meeting the same conditions related to payroll and the value of the business's real and tangible personal property as is the case under current law certification. Also under the bill, excluded gain is not limited to net capital gain, and the bill clarifies that the exclusion is for gain on investments in a business and not for individual assets of the business.

Under current law, there are two income tax deferrals for capital gains that are reinvested in qualified Wisconsin businesses. Under one of the deferrals (long-term deferral), a claimant may elect to defer the payment of income taxes on up to \$10,000,000 of the gain realized from the sale of any capital asset held more than one year (original asset) that is treated as a long-term gain under the Internal Revenue Code (IRC), if the claimant completes a number of requirements. Under the bill, the long-term deferral may no longer be claimed for taxable years beginning after December 31, 2013.

Under the other deferral (Wisconsin assets deferral), a claimant may elect to defer the payment of income taxes on any amount of the gain realized from the sale of any capital asset held more than one year (original new asset) that is treated as a long-term gain under the IRC, if the claimant completes a number of requirements.

Under this bill, for taxable years beginning after December 31, 2013, the current requirement that the gain realized from the sale of the applicable long-term asset be deposited into a segregated account in a financial institution does not apply. This bill transfers from WEDC to DOR the responsibility for registering a business under the Wisconsin assets deferral.

Under current law, an individual may claim as an income tax credit an amount equal to 25 percent of the individual's angel investment in a qualified new business venture in this state. The total amount of angel investment credits that all taxpayers may claim in all taxable years combined is \$47,500,000. This bill eliminates the limit of the total amount of angel investment credits that taxpayers may claim.

This bill adopts, for state income and franchise tax purposes, changes made to the IRC related to transferring retirement plan amounts to designated ROTH accounts without distribution, limiting the amount of salary reduction for a health care flexible spending arrangement, eliminating a deduction for expenses allocable to a Medicare, Part D subsidy, increasing the threshold for itemized medical expense deductions from 7.5 percent to 10 percent of adjusted gross income, increasing the penalty for nonqualified distributions from a health savings account, and limiting the deduction for remuneration paid by health insurance providers.

The bill also adopts the changes made to the IRC related to free choice vouchers, corporate repurchasing of convertible debt instruments, pension funding rules for determining segment rates, transfers from excess pension assets to retiree medical accounts or for purchasing retiree group term life insurance, phased retirements, the installment method for accrual basis taxpayers, and the tax treatment of Blue Cross and Blue Shield organizations.

Under current law, an eligible claimant may claim a refundable farmland preservation tax credit (farmland credit) based on the number of the claimant's qualified acres and the type of zoning district in which the acres are located. Also under current law, the maximum amount of farmland credits that may be claimed in any fiscal year may not exceed \$27,007,200. If the amount of eligible claims exceed this amount, the excess claims are paid in the next succeeding fiscal year and DOR must prorate the per acre amounts that may be claimed.

Under this bill, the maximum amount of farmland credits that may be claimed in the 2013-14 fiscal year, and in any succeeding fiscal year, may not exceed \$25,304,300 and the treatment of excess claims and proration are the same as under current law.

Under current state law, certain individuals may claim an income tax deduction for amounts paid for medical care insurance for the individual, his or her spouse, and his or her dependents. Under the federal Patient Protection and Affordable Care Act (PPACA), beginning in 2014 certain individuals will be eligible to receive premium assistance in the form of federal tax credits to make it more affordable for such individuals to purchase medical care insurance.

This bill clarifies that the current state income tax deduction for medical care insurance may not be claimed for any amount that is paid for with a premium assistance credit under the PPACA.

Under current law, a health care provider may claim an income and franchise tax credit equal to 50 percent of the amount that the health care provider paid in the taxable year for information technology hardware or software that is used to maintain medical records in electronic form. Under this bill, no health care provider may claim the credit for taxable years beginning after December 31, 2013.

Under this bill, generally, a person who is subject to an assessment or audit determination by DOR is not liable for any amount that DOR asserts that the person owes if the liability asserted is the result of a tax issue that existed in a prior assessment or audit, a DOR employee involved in the prior assessment or audit knew of the tax issue, and DOR did not assert the liability for the tax issue at the time of the prior assessment or audit.

Under current law, the interest income from bonds issued by WHEFA is exempt from income taxation if the bond proceeds are used by a health facility to acquire information technology hardware or software. Under the bill, the interest income from bonds issued by WHEFA is also exempt from income taxation if the bonds are issued for the benefit of a person who is eligible to receive bond proceeds from another entity for the same purpose and the interest income received from the other bonds is exempt from taxation.

Under current law, if a person who is liable for income taxes fails to pay the taxes within ten days from the date that the taxes become delinquent, DOR may obtain the person's real or personal property and sell that property to pay the delinquent taxes. After DOR obtains the property, DOR must notify the property owner, in writing, that it has obtained the property and that the property will be sold if the delinquent taxes are not paid. DOR must also post a public notice of the sale. This bill allows DOR to provide notice of obtaining a person's property in the manner

prescribed by DOR. Under the bill, DOR does not have to provide notice to the property owner of the sale of the person's property, but must still post a public notice of the sale.

PROPERTY TAXATION

Under current law, solar energy systems and wind energy systems are exempt from personal property taxes. Under this bill, biogas energy systems are also exempt from personal property taxes.

Under this bill, the state no longer appropriates moneys from the lottery fund to pay a portion of the school levy property tax credit.

OTHER TAXATION

Under current law, in order to offer cigarettes for sale in this state, a cigarette manufacturer must have a valid permit issued by DOR and pay the cigarette tax on all cigarettes offered for sale in this state. Cigarette manufacturers must also comply with fire safety standards for cigarettes and with the master settlement agreement entered into with U.S. tobacco product manufacturers. This bill specifies that a cigarette manufacturer includes a person who owns an automated roll-your-own machine that is used to make cigarettes, but does not include an individual who owns a roll-your-own machine and uses the machine solely to make cigarettes for his or her personal use or for the use of other individuals who live in his or her home.

This bill creates a sales and use tax exemption for items and services sold as part of a contract to perform real property construction activities and for which the contractor quotes the charge for labor, services of subcontractors, and materials as one price.

Under current law, the sale of tangible personal property, animals, and certain other items to a person who is primarily engaged in biotechnology or manufacturing in this state is exempt from the sales and use tax if the property, animals, or items are used for qualified research. This bill allows a member of a combined group of corporations to claim the exemption if another group member is conducting qualified research for the member who is engaged in biotechnology or manufacturing in this state.

Under current law, a retailer submits the sales and use taxes that the retailer collected during each calendar quarter to DOR no later than the last day of the month following the end of the previous calendar quarter. If, however, a retailer collects more than \$600 in any calendar quarter, DOR may require the retailer to submit the taxes no later than the last day of the month following the month in which the taxes are collected. Under this bill, if a retailer collects more than \$1,200 in any calendar quarter, DOR may require the retailer to submit the taxes no later than the last day of the month following the month in which the taxes are collected.

Under current law, DOR may enter into agreements with other states to provide for offsetting Wisconsin tax refunds against tax obligations of other states and offsetting tax refunds of other states against Wisconsin tax obligations. Under this bill, DOR may also enter into agreements with other states to provide for offsetting Wisconsin tax refunds against nontax obligations of other states and offsetting tax refunds of other states against Wisconsin nontax obligations.

Under current law, instead of paying local general property taxes, public utilities and telephone companies pay taxes imposed by the state based on property value. These taxes are referred to as ad valorem taxes. Under this bill, DOR may use the same methods used for collecting delinquent income taxes, including imposing a levy on a taxpayer's property, to collect delinquent ad valorem taxes owed by public utilities and telephone companies.

Under current law, DOR may write off from its records all sales, use, withholding, motor vehicle fuel, gift, beverage, and cigarette tax liabilities that it determines are not collectible. This bill allows DOR to write off all tax and fee liabilities it determines are not collectible.

Under current law, the printing of tangible personal property is not a service subject to the sales and use tax if it results in catalogs or other printed materials designed to promote the sale of merchandise. Under this bill, printing of tangible property that results in advertising and promotional direct mail is also not subject to the sales and use tax.

TRANSPORTATION

HIGHWAYS

This bill makes changes with respect to which highway operations and activities are considered highway improvements and which are considered highway maintenance, which affects the source of funding for these operations and activities. However, under the bill, some highway operations and activities, such as maintenance for roadside improvements and private contractor maintenance, can be funded from more than one appropriation. Under this bill, highway maintenance activities no longer include, and highway improvements no longer exclude, the installation, replacement, or rehabilitation of traffic control signals and intelligent transportation (IT) systems, but maintenance of traffic control signals and IT systems are still considered maintenance activities. The bill limits DOT's expenditure, from certain highway improvement appropriations, of moneys for the installation, replacement, or rehabilitation of traffic control signals and IT systems to a total of \$20,000,000 in any fiscal year.

This bill allows DOT to enter into sponsorship agreements under which DOT displays a sponsor's advertising or promotional material at locations owned or controlled by DOT in exchange for the sponsor's payment of fees or provision of services to DOT. The bill also allows DOT to enter into partnership agreements under which DOT authorizes a partner to engage in commercial activity at locations owned or controlled by DOT in exchange for the partner's payment of fees or provision of services to DOT. Fees received by DOT under these agreements may be used by DOT for, among other purposes, maintenance and repair of state trunk highways and roadside improvements. Contracts for sponsorship agreements and partnership agreements must be awarded on the basis of competitive proposals.

The bill does all of the following:

1. Allows general obligation bonds, in an amount not exceeding \$200,000,000, to be used to fund high-cost state highway bridge projects, which are projects involving the construction or rehabilitation of a bridge on the state trunk highway system that have a total estimated cost of more than \$150,000,000.

2. Authorizes an additional \$107,000,000 in general obligation bond proceeds to fund the Zoo interchange project and the I 94 north-south corridor project.

3. Authorizes an additional \$200,000,000 in general obligation bond proceeds to fund southeast Wisconsin freeway megaprojects. Debt service on these bonds is paid from the general fund.

4. Increases the revenue bond limit, from \$3,351,547,300 to \$3,768,059,300, for major highway projects and transportation administrative facilities.

This bill eliminates DOT's bicycle and pedestrian facilities program, transportation enhancement activities program, safe routes to school program, and traffic marking enhancement program and creates instead a transportation alternatives program. Under this program, DOT may award grants to political subdivisions for transportation alternatives activities such as: construction, planning, and design of trail facilities and infrastructure-related projects for pedestrians, bicyclists, and other nondrivers; trail conversion of abandoned railroad corridors; construction of overlooks and viewing areas; and preservation of historic transportation facilities.

Under current law, if a highway or bridge that is not on the state trunk highway system (highway) is damaged by flood, the county or municipality having jurisdiction over the highway may petition DOT for payment of flood damage aid to cover part of the repair or replacement cost. This bill expands DOT's flood damage aid program to a disaster damage aid program. Under the bill, a "disaster" is defined as any of the following: 1) a severe storm, flood, fire, tornado, mudslide, or other natural event external to a highway; 2) the sudden failure of a major element or segment of the highway system due to a cause that is external to a highway; or 3) an event or recurring damage caused by any governmental unit or person acting under the direction or approval of, or permit issued by, any governmental unit and in response to an event described in item 1) or 2). The bill also prohibits DOT from paying disaster damage aid in excess of \$1,000,000, in connection with disaster damage resulting from a single disaster, unless the governor approves the payment of aid.

Under current law, beginning July 1, 2014, DOT must maintain an inventory of completed designs for highway projects under the major highway projects program and the reconditioning, reconstruction, and resurfacing projects program. Under this bill, the estimated costs of the inventory of projects for each program must be not less than 20 percent of the annual amount of funding provided to each program.

This bill repeals a provision of current law that prohibits a southeast Wisconsin freeway rehabilitation project from adding vehicle lanes on I 94 adjacent to Wood National Cemetery.

DRIVERS AND MOTOR VEHICLES

Current law includes certain regulation of motor carriers engaged in interstate commerce. This bill imposes the same regulation on motor carriers engaged in intrastate commerce.

This bill increases the per pound of excess weight forfeiture rates that are imposed for unlawfully operating vehicles exceeding weight limits without a permit.

This bill also increases the penalty for a second conviction for violating weight limits while transporting raw forest products.

TRANSPORTATION AIDS

Under current law, DOT provides state aid payments from the transportation fund to local public bodies in urban areas served by mass transit systems to assist the local public bodies with the expenses of operating those systems. This bill changes the funding source for those aids from the transportation fund to the general fund beginning on July 1, 2014.

RAIL AND AIR TRANSPORTATION

This bill increases the authorized general obligation bonding limit to \$216,500,000 to acquire railroad property and provide grants and loans for railroad property acquisition and improvement.

OTHER TRANSPORTATION

This bill requires DOT to administer a surveying reference station system that consists of monuments that are used to generate latitude, longitude, and elevation data; reference stations that continuously transmit global positioning system data to a system server; and the system server, which receives and processes the data received from the reference stations. The bill also permits DOT to charge a fee to persons who access the system in an amount to be established by rule. All access fees received by DOT are appropriated for system maintenance and operation costs.

Under current law, a person who is convicted of certain violations relating to operating a vehicle while intoxicated must pay a driver improvement surcharge of \$365 in addition to any applicable forfeiture or fine, assessments, and costs. A portion of the money collected from this surcharge is provided to DOT for chemical testing training and services provided by the state traffic patrol. Under this bill, driver improvement surcharge money is no longer provided to DOT for the chemical testing training and services provided by the state traffic patrol. The training and services are instead funded from the transportation fund.

This bill increases the authorized general obligation bonding limit to \$87,500,000 to provide grants for harbor improvements.

VETERANS

Current law imposes certain state residency requirements that apply to veterans and widows, widowers, and parents of living and deceased veterans who are seeking admission to veterans homes operated by the state. Also, under current law, DVA administers a priority system for admissions into a veteran home. Under the system, veterans have first priority, spouses have second priority, surviving spouses have third priority, and parents of veterans have fourth priority.

This bill eliminates all residency requirements, but gives priority to residents over nonresidents. The bill establishes a priority system within each of the four priority levels described above. Under the system, state residents who have resided in the state for more than six continuous months before the date of application have first priority, other state residents have second priority, and nonresidents have third priority.

Current law imposes certain state residency requirements on veterans and members of the U.S. armed forces for burial in a state veterans cemetery. This bill

expands eligibility for burial in a state veterans cemetery to include anyone who is a resident of a state veterans home. The bill also requires DVA to maintain a waiting list for each cemetery and to give priority to state residents over nonresidents.

Current law imposes certain state residency requirements for a veteran to receive assistance based on the veteran's homelessness, incarceration, or other circumstances established by DVA. Such a veteran may be eligible for assistance from DVA only if the veteran is a resident of and living in Wisconsin at the time the veteran applies for assistance. The bill eliminates those residency requirements.

The bill directs DVA to pay \$500,000 in fiscal year 2013-14 to VETTransfer, Inc. (VETTransfer), an organization that provides training and other assistance to veterans engaged in entrepreneurship. The bill requires VETTransfer to use those moneys to make grants to Wisconsin veterans or their businesses to cover costs associated with the start-up of veteran-owned businesses in Wisconsin and to provide entrepreneurial training and related services to Wisconsin veterans. VETTransfer must repay to the state any moneys not used by June 30, 2017, but DVA may extend that deadline.

The bill authorizes DVA to grant up to \$50,000 annually to the Wisconsin department of the American Legion for the operation of Camp American Legion located in the town of Lake Tomahawk.

The bill modifies the amount of annual payments that DVA must make to certain federally recognized state veterans organizations in Wisconsin based on the amount a state veterans organization pays each year to its employees who provide certain services to veterans in Wisconsin.

Under current law, DVA is required to pay \$100,000 annually to the Wisconsin department of the Disabled American Veterans for the provision of transportation services to veterans. The bill increases that amount to \$120,000.

Under current law, DVA may make annual grants of up to \$8,500 to American Indian tribes or bands for the improvement of a tribe's or band's services to veterans. The bill increases that authorization to up to \$15,000 for each grant DVA makes to an American Indian tribe or band.

The bill establishes a tuition reimbursement program for veterans enrolled in the College of Menominee Nation or Lac Courte Oreilles Ojibwa Community College (tribal colleges). Under the bill, subject to certain limitations, DVA is generally required to reimburse a veteran for up to 120 credits of tribal college tuition if the veteran applies to DVA for reimbursement, is enrolled as a member of a federally recognized American Indian tribe or band in Wisconsin, and satisfies the bill's other eligibility requirements.

Under current law, the Board of Veterans Affairs (board) may approve or veto plans or modifications for established state veterans memorials and make recommendations for future memorials. This bill restricts the board's authority only to proposals for plans or modifications of memorials for which DVA has estimated that the costs will exceed \$25,000.

Under current law, each nursing home is required to pay the state an assessment of not more than \$170 per bed, per month. The assessment revenue is

deposited in the MA trust fund and is generally expended for MA services for which the federal government contributes a share of the costs. Current law exempts Wisconsin veterans homes from having to pay the assessment for the 2011-13 fiscal biennium. This bill makes the exemption permanent.

Under current law, DVA employs commandants for the administration of veterans homes. Among other duties, a commandant may receive, disburse, and account for the personal funds of a resident of the veterans home the commandant oversees. Under the bill, the secretary of DVA or the secretary's designee may also receive, disburse, and account for the funds of a veterans home resident.

Under current law, documents that are evidence of service in the United States armed forces and that are in the possession of DVA may be disclosed only to veterans or their duly authorized representatives. Under current law, a "duly authorized representative" is a person who has written authorization from a veteran to act on his or her behalf, a guardian if the veteran has been adjudicated incompetent, or a legal representative if the veteran is deceased. A spouse or adult child of a veteran or a parent of an unmarried veteran may be also be considered a duly authorized representative of the veteran if there is no written authorization, guardian, or legal representative. This bill expands this list of relatives to include an adult sibling of a veteran.

Under current law, DWD administers the federal Disabled Veterans' Outreach Program, under which DWD employs specialists to provide services to meet the employment needs of eligible veterans, and the federal Local Veterans' Employment Representative Program, under which DWD employs representatives to facilitate employment, training, and placement services for veterans. This bill requires DWD and DVA, jointly, to prepare and submit to the secretary of the federal Department of Labor (secretary) a plan to transfer administration of those programs from DWD to DVA. If the secretary approves the plan, responsibility for administration of those programs is transferred from DWD to DVA.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows: